

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1533 - SB 2535

February 9, 2016

SUMMARY OF BILL: Authorizes the State Fire Marshal's Office (SFMO) to conduct field inspections in lieu of performing both a review of certain construction plans and conducting a field inspection pursuant to Tenn. Code Ann. § 68-120-101(d)(1).

Authorizes the SFMO, to create a schedule of fees sufficient to cover the costs of inspections, as well as a fee, limited to no more than \$200, for inspections untimely requested, if such inspection cannot be performed due to unpreparedness of the requesting contractor.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$4,800/State Fire Marshal's Office

The Governor's proposed budget for FY16-17, on page A-40, recognizes non-recurring revenue of \$4,800 and recurring revenue of \$4,800; both to the State Fire Marshal's Office.

Assumptions:

- Current law provides for review and approval of building plans and specifications with no option for field inspections only. In certain circumstances, onsite field inspections may provide sufficient review of smaller construction projects without requiring the submissions and review of building plans and specifications. Since the current established fee structure is based upon the plan submission and review process, new rules will be required to establish a fee structure for field inspections.
- This legislation authorizes the SFMO to create a fee schedule to cover the costs of inspecting certain construction properties. According to the SFMO, there is no intent to change the fees applicable to inspections only, regardless of the authorization provided for in this legislation. If the SFMO determines to change the fees, it must do so through the rulemaking process.
- This legislation authorizes the SFMO to charge a late fee of \$200 per instance in which a contractor untimely schedules an inspection.
- According to the SFMO, an average of two instances occurs each month in which a contractor fails to timely schedule an inspection.
- The recurring increase in state revenue to the SFMO is estimated to be \$4,800 (24 x \$200).

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- The Governor's recommended budget for FY16-17, on page A-40, recognizes non-recurring revenue of \$4,800 and recurring revenue of \$4,800 both to the SFMO.

IMPACT TO COMMERCE:

Increase Business Expenses - \$4,800

Assumption:

- An increase in business expenditures of \$4,800 for contractors in this state which fail to timely schedule inspections with the State Fire Marshal's Office.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb